

Today's Speak Easy

2003 Legislation by Teresa Berntsen

Washington State Liquor Control Board

Following is a description of bills that passed during the 2003 Legislative Session that may interest or impact you as a liquor or tobacco licensee. These new laws take effect July 27, 2003, unless otherwise noted.

If you have any questions about these new laws, please contact your local liquor control agent or Teresa Berntsen, Rules Coordinator, at 360-664-1648 or teb@liq.wa.gov.

Emergency Liquor License Suspensions

This bill, SHB 1495, was requested by the Liquor Control Board. It allows the agency to suspend a liquor license for up to 180 days, instead of the current 30 days, for violations that directly threaten public safety or health.

Emergency suspensions are rare--they are only used for the most egregious violations where the agency usually pursues cancellation of a liquor license. Examples include illegal drug activity directly tied to the business owner, including sales of illegal amounts of Pseudoephedrine; or serious assaults that occur on the licensed premises.

Catering Endorsement

This bill, HB 1395, was sought by the Washington Restaurant Association to clarify the types of events that licensees with catering endorsements can cater. This bill makes it clear that licensed caterers can cater:

- Private events held by invitation only, or
- Events held by a non-profit society or organization, which can either be private events or open to the public.

The language that allows licensees to cater public events hosted by a non-profit was deleted during a law change in 1997. This bill basically puts this language back.

The Liquor Control Board sent a letter to all licensees with caterer's endorsements in October of 2002. This letter explained that state law does not currently allow liquor licensees to use their caterer's endorsement to cater events that are open to the public. The agency gave licensees a grace period for already-booked public events through July 31, 2003. This grace period overlaps with the bill's effective date of July 27, 2003.

Sale of Bottled Wine or beer at Farmers Markets

These bills, SSB 5265 and SHB 2118, will allow in-state wineries and certain in-state breweries to apply for an endorsement to sell bottled wine or beer at qualifying farmers markets. No sampling or tastings are allowed--the winery or brewery can only sell bottled wine or beer to-go at markets.

For more information about the qualifications for wineries, breweries, and farmers markets, please see the fact sheet and application forms on our web site at http://www.liq.wa.gov/publications/publications_license.asp, or call 360-664-1600 to have the fact sheet and application mailed to you.

Sale of Strong Beer in Beer/Wine Specialty Shops

This bill, SSB 5051, will allow "strong beer" to be distributed by private distributors and to be sold by grocery stores and beer/wine specialty shops for off-premises consumption; and for restaurants, private clubs, and taverns for on-premises consumption. Strong beer is any malt beverage that contains more than 8% alcohol by weight. Currently strong beer can only be sold to-go in liquor stores. This law change takes effect July 1, 2003.

- ☞ **Important Note from the Department of Revenue** - Sales of strong beer are subject to retail sales tax in the same manner as sales of other beer and wines. For more information about the retail sales tax rates on beer and wine, please call the Department of Revenue Telephone Information Center at 1-800-647-7706.
- ☞ **Note to manufacturers and distributors** - The Liquor Control Board is accepting label approval applications and price postings for strong beer. Keeping in mind label approval and price posting deadlines, we can approve a strong beer for sale on the market after July 1. The tax rate for strong beer will be the same as for "regular" beer, as opposed to the current spirits tax rate.
- ☞ **Note to grocery and convenience stores** - The new laws allow local officials to request that the Liquor Control Board restrict a grocery or convenience store's liquor license to only selling beers that are 8% alcohol by weight or less (similar to how the agency can now restrict a licensee to selling only table wine and no fortified wine). Local officials can make this request when a new license is issued or at renewal. If a local official requests a restricted license for your grocery or convenience store, we will notify you and give you more information about this process.

Fraudulent Driver's License

SSB 5716 makes it a crime to manufacture, sell, or deliver a forged, stolen, fictitious, counterfeit, or unlawfully issued driver's license or ID card.

While the main purpose of this bill is to protect against identity theft, it may also be helpful in reducing the number of fake IDs presented to liquor and tobacco licensees. If you would like tips or training on recognizing illegal ID, please contact your local Liquor Control Board Enforcement office.

Counterfeit Cigarettes

SHB 1943 states that only wholesalers can affix cigarette tax stamps. The new law increases the criminal penalties for selling cigarettes without a license, and provides criminal penalties for manufacturing, selling, or possessing counterfeit cigarettes.

Tobacco licensees should only purchase cigarettes through licensed wholesalers. If you would like to verify if a wholesaler is legally licensed, you can ask to see their license or contact the Liquor Control Board's tobacco tax enforcement program at 360-664-1728.

Internet Sale of Cigarettes

SHB 2027 establishes requirements for the delivery of cigarettes ordered by telephone, mail, or over the Internet. The bill requires anyone that offers delivery sales of cigarettes to register with the Liquor Control Board and to provide reports that list details of each delivery.

The new laws require the seller to verify the purchaser's age before accepting an order for cigarettes, either by a photocopy of the purchaser's ID or through a commercial database. The bill establishes criminal penalties for shipping cigarettes without first obtaining proof of age.

Alcohol Impact Area Study Findings by Tricia Currier

The Liquor Control Board held a work session in Tacoma on June 17 to hear the findings of the Tacoma Alcohol Impact Area study conducted by Dr. John Tarnai, Director of Washington State University's Social & Economic Sciences Research Center.

The Alcohol Impact Area (AIA) rules state that the Liquor Control Board will study the effectiveness of the rules one year after the Board's recognition of the first AIA. Approved in December 2001, the Tacoma downtown core is the only Liquor Control Board recognized AIA in the state.

Study Findings

The full report is available online at <http://www.sesrc.wsu.edu/recentpapers.htm>. The report includes findings within the AIA such as:

- ✓ A 35% decrease in emergency medical service incidents.
- ✓ A 21% decrease in admissions to the local detoxification center.
- ✓ A 61% decrease in "liquor in the park" police service calls.
- ✓ Fewer chronic public inebriates and problems associated with chronic public inebriates.
- ✓ Reduced intoxication among chronic public inebriates.
- ✓ Less trash and litter.
- ✓ Community residents feel safer and better about their neighborhood.

The Board will use the results of the study and input from stakeholders to consider whether any changes to the AIA rules are needed and in deciding future AIA requests

DUI Top 10 Program by Tricia Currier

In 2002, over 15,600 persons were cited for DUIs in Washington. Drunk drivers killed 119 people in the first six months of 2002. About half of those cited for DUIs indicate they were drinking at a restaurant, tavern, or club that sells alcohol. The Washington State Liquor Control Board hopes that a new education program, aimed at reducing over service of alcohol, will help decrease drunk driving.

The program works like this: Each month the Washington State Patrol provides the Liquor Control Board a list of persons arrested for a DUI who indicated they were drinking at one or more businesses that sell alcohol. A Liquor Control Board enforcement agent contacts liquor licensees who appear in the top 10 of this list in order to help the licensee analyze possible problem areas and offer training. For example, examining the date and time the DUI arrests took place may help determine if a business has an over service problem, and if so, if over service is occurring with a specific bartender

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or in conjunction with a certain business practice such as a promotional night. It is important to note that the DUI list is only used as an indicator of a possible problem and as an opportunity to educate licensees.

The DUI Top 10 Program, in place statewide, is part of the Liquor Control Board's overall community oriented policing philosophy. If you have any questions about this program, please contact your local liquor control agent.

Liquor Control Board Enforcement Offices

Location	Phone Number
Olympia	(360) 753-6271
Vancouver	(360) 260-6115
Tacoma	(253) 471-4589
Seattle	(206) 464-6094
Kent	(253) 872-6386
Everett	(425) 513-5114
Bremerton	(360) 478-4500
Bellingham	(360) 676-2073
Wenatchee	(509) 662-0408
Yakima	(509) 575-2763
Kennewick	(509) 734-7170
Spokane	(509) 625-5513